



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
FOR: IMMEDIATE RELEASE

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CONTACT: Stephen Berkeley (602) 542-0509

MESA-BASED INVESTMENT ADVISER ORDERED TO CEASE AND DESIST

The Corporation Commission has ordered Eric Muench of Mesa to cease and desist from violations of the Securities and Investment Management Acts of Arizona. In addition, the Commission ordered Muench to pay an administrative penalty of \$1,000.

The Commission concluded that Muench sold unregistered securities, and acted both as an unregistered securities dealer and as an unlicensed investment adviser. Muench, doing business as Jaydar Financial Group, offered and sold general partnership interests in Jaydar. Muench designed Jaydar as an investment limited partnership, similar to a mutual fund, where Muench, as general partner, would make the investment decisions for Jaydar. Jaydar raised approximately \$80,000 from 22 investors between April 1996 and October 1997. Investors' funds were invested in the name of Jaydar in an account at Kensington Securities, Inc. Muench was solely responsible for authorizing the purchase and sale of securities in this account.

Jaydar ceased operations in November 1997, after the Division commenced investigating the activities of Muench. At that time, Muench liquidated Jaydar, returning funds to investors. After liquidation, 10 investors suffered losses as a result of investing in Jaydar. Muench reimbursed these losses in February 1998.

"Crucial to the Commission's responsibility for protecting the public is the registration and oversight of those individuals providing investment advice," stated Michael G. Burton, Sr., Director of Securities. "The Commission requires brokers and investment advisers to pass certain competency examinations. The registrant must demonstrate knowledge and understanding of investments and the laws regulating investments."

The Commission encourages all Arizonans to contact the Securities Division at (602) 542-4242 to determine whether an investment and the individuals recommending or selling the investment are properly registered with the State. The Division can also be contacted by E-Mail at Accsec@ccsd.cc.state.az.us. More information about the Securities Division and the Commission can be found at the Division's website at www.ccsd.cc.state.az.us.